

The Value of Construction

The Census Bureau publishes the *Value of Construction Put in Place* series. Preliminary data are published monthly and quarterly, in advance of complete annual reports. For 1997, the *Value of Construction Put in Place* series set the annual value of construction at \$653.4 billion, in contrast with another Census Bureau series, the *Economic Census - Construction*, which reported a \$612.2 billion net value for payroll establishments (see chart book pages 3 and 4).

The differences between figures produced by the two series result from differing survey and estimate methods. The *Economic Census - Construction* is limited to receipts for construction work done by establishments in the construction industry.

By contrast, the *Value of Construction Put in Place* series includes work done by projects in any industry, and is based on ownership, which may be public or private. The series broadly covers new construction, improvements, and major replacements, such as the complete replacement of a roof or heating system. If a construction project extends before or after the time covered, the project's value is adjusted, based on input from the owner.

The value-put-in-place series includes costs of (1) materials installed or erected, (2) labor, (3) construction rental equipment, (4) the contractor's profit, (5) architectural and engineering work, (6) miscellaneous overhead and office costs

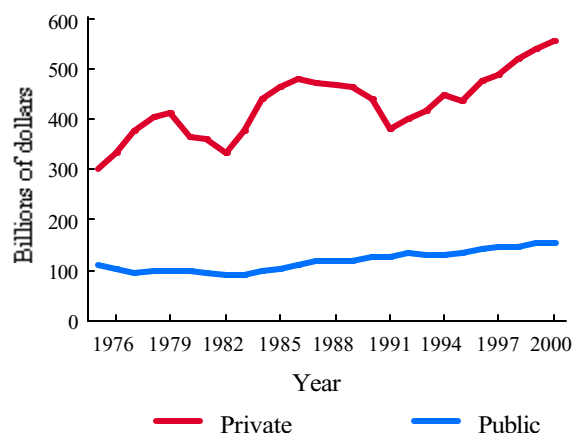
chargeable to the project on the owner's books, and (7) interest and taxes paid during construction (except state- and locally owned projects).

Not included are the costs of production machinery, such as heavy industrial machinery, printing presses, stamping machines, bottling machines, and display cases and shelving in stores. Also excluded is the drilling of gas and oil wells, including the construction of offshore drilling platforms and the digging and shoring of mines. Although additions and renovations are counted, maintenance and repairs to existing structures or service facilities are not. While modular homes are included, mobile homes are not.

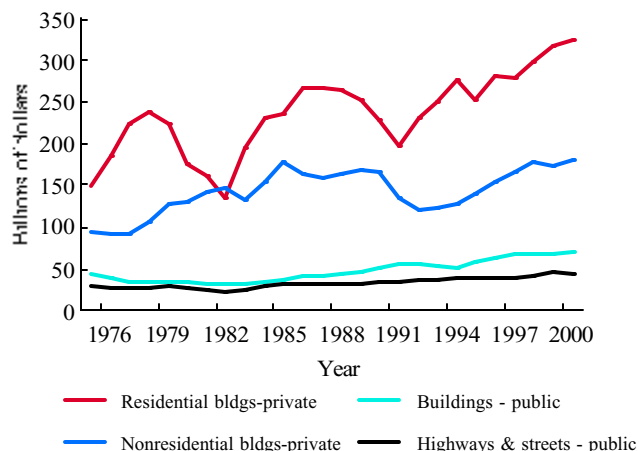
In the value-put-in-place series, privately owned construction is larger than publicly owned construction in terms of dollar value, but is subject to market fluctuations. Private construction has ranged from \$298.6 billion to \$555.1 billion since 1975 (1996 dollars; chart 5a). Although the value of residential buildings has fluctuated, they remain the largest share of private construction (see chart book pages 6 and 7). Buildings are the largest portion of public construction (chart 5b; see chart book page 6).

When the growth of privately owned nonresidential construction is compared by region, the South has shown the most growth (chart 5c).

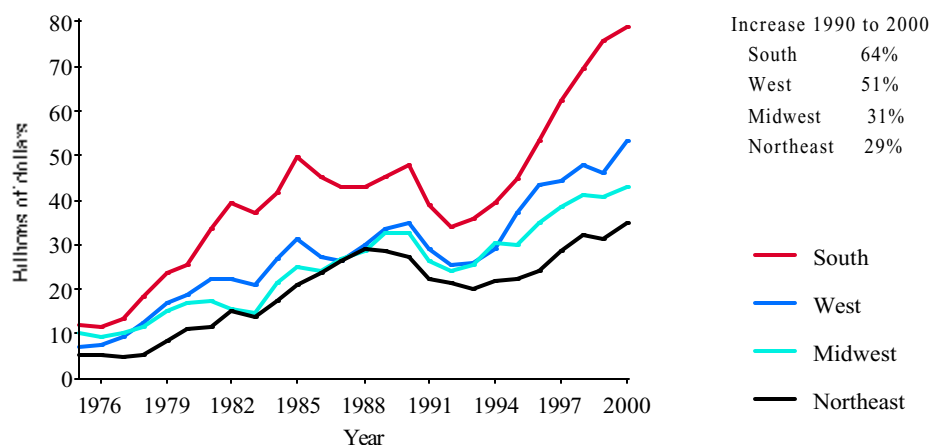
5a. Value of construction, public and private sector, 1975-2000
(1996 dollars)



5b. Value of construction, leading public and leading private, 1975-2000
(1996 dollars)



5c. Value of private nonresidential construction, by region, 1975-2000
(Current dollars)



Note: Charts 5a and 5b - Public and private construction totaled \$815 billion in 2000 dollars, but \$707 billion in 1996 dollars in 2000, according to *Value of Construction Put in Place*. For comparisons, dollar amounts have been adjusted to account for inflation; see "constant dollars" in glossary.

Chart 5c - All figures are in current dollars. Private nonresidential construction totaled \$194 billion in 1999 (or \$173 billion in 1996 dollars). Only current dollar amounts are available for the regional data. The states and the District of Columbia are divided into regions as follows: Connecticut, Maine, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, and Vermont - Northeast; Alabama, Arkansas, Delaware, District of Columbia, Florida, Georgia, Kentucky, Louisiana, Maryland, Mississippi, North Carolina, Oklahoma, South Carolina, Tennessee, Texas, Virginia, and West Virginia - South; Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio, South Dakota, and Wisconsin - Midwest; Alaska, Arizona, California, Colorado, Hawaii, Idaho, Montana, Nevada, New Mexico, Oregon, Utah, Washington, and Wyoming - West.

Source: Charts 5a and 5b - Bureau of the Census, *Value of Construction Put in Place (Current Construction Reports)*, C30/01-5 and earlier issues. Washington D.C.: U.S. Government Printing Office.

Chart 5c - Bureau of the Census, C30 Supplement, *Value of Construction Put in Place Supplement*, Table S1, Private Nonresidential Buildings Projects, by Geographic Division and Type of Construction, various years. <http://www.census.gov/pub/const/C30/tableS2.pdf>